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COMMUNIQUÉ BY THE MINISTERS OF TRADE OF THE LEAST DEVELOPED COUNTRIES

Adopted at UNCTAD X, in Bangkok, on 13 February 2000

The Ministers of Trade of the least developed countries met in Bangkok on 13 February 2000 on the occasion of UNCTAD X. While underscoring the importance of UNCTAD X as it takes place at the turn of a new century and a new millennium, the Ministers noted the challenge as well as the opportunity offered by the occasion for the international community to address the shortcomings of the external environment and the constraints it poses on the development efforts of the developing countries, particularly the least developed among them.

The Ministers reviewed the process of integration of their economies into a rapidly globalizing and liberalizing world economy as the world enters the twenty-first century. They reiterated their concern at the continuing marginalization arising from this process as reflected in their low and declining share in world trade, investment and output, further aggravated by their heavy external debt burden and falling ODA. As the 1999 *LDCs Report* clearly highlights, these processes have added to the familiar supply-side constraints in their countries as they attempt to adjust to the new, more competitive international environment. The sum total of these factors has been their adverse impact on the already worsening socio-economic situation and structural weaknesses inherent in the LDCs' economies. In this regard, the Ministers called for intensified efforts by the international community to support them in their struggle to reverse these trends by overcoming the inherited disadvantages and structural constraints and put their economies on a sustainable growth path.

They underlined that beneficial integration of the LDCs into the global economy and the multilateral trading system as its main driving force would require concrete actions by the LDCs and their development partners to strengthen LDCs' supply capacities, *inter alia*

through the development of physical infrastructure and human resource development, improved market access, and economic space within which appropriate policy instruments could be deployed to strengthen the competitiveness of sectors of strategic importance for the development of their trade. In this context, they expressed concern at the delay by their trading and development partners in providing bound, duty-free and quota-free market access for all products originating in the least developed countries, as well as adequate ODA, comprehensive debt relief, encouragement and promotion of FDI flows and technology transfer. The Ministers strongly believed that a combination of these measures would have a clear positive impact on LDCs' socio-economic performance and would render their pursuit of domestic economic reforms sustainable. Free market access would only be meaningful if accompanied by relaxed and favourable rules of origin. Ministers called for more stable global prices for commodities to ensure predictable flows of export revenue for their development. In this context, Ministers called for the setting up of a mechanism for the review of price structures of LDCs' exports.

The Ministers attached importance to a rule-based multilateral trading system. A rule-based multilateral trading system provides for predictability and security of market access, which small trading nations such as LDCs need most. They stressed, however, that the formulation of new rules must take into account their special development needs and their limited capacity to implement resulting agreements. In this regard, they emphasized that the forthcoming trade negotiations take into account their proposals submitted to WTO in document WT/GC/W/251and further agreed to keep under review the progress made in this regard. They further called for thorough consideration of problems of implementation of existing multilateral trade agreements faced by the LDCs with a view to adopting corrective measures, including binding provisions on technical assistance. In the provision of these measures, the LDCs should not be required to undertake commitments that go beyond requirements for compliance with existing obligations in the WTO Agreements.

The Ministers underscored the critical importance of UNCTAD's technical assistance in strengthening the capacity of the LDCs to formulate a positive agenda and strategies in trade negotiations that enable them to participate more actively and defend their interests in multilateral trade negotiations. They also welcomed UNCTAD's analytical work and capacity-building activities in the area of investment which contribute to the ongoing national efforts in LDCs for attracting investment, especially foreign direct investment. Ministers called on UNCTAD to continue such assistance in the above areas.

Acceleration of the process of accession of the LDCs seeking accession to the WTO is a matter to which the Ministers attached greatest importance. They viewed their accession as the first logical step in their integration into the global economy. They therefore called for the establishment of clear, simplified and fast-track procedures for the accession of LDCs that are not yet members of the WTO which allow for the completion of the process within one year following application. LDCs seeking accession should automatically have their status recognized and not be subjected to commitments which go beyond those of LDCs members of the WTO.

The Ministers noted with concern the slow pace of implementation of the Integrated Framework for Trade-Related Technical Assistance Activities and the lack of results from the round tables held so far for LDCs. They called upon bilateral and multilateral development partners to provide adequate resources to facilitate the implementation of various projects

proposed by LDCs at round tables. The Ministers reiterated their call contained in their Seattle Declaration for an independent review of the Integrated Framework process with a view to reaching a common understanding on the objectives of the Integrated Framework, the institutional arrangements for its implementation, with clear benchmarks for its periodical review, and the expected outcome of the process and modalities for the mobilization of resources for the implementation of the various projects proposed by LDCs and by the core agencies in accordance with their respective mandates.

The Ministers stressed the importance of providing support to international organizations concerned with production and trade in commodities of LDCs, such as the International Jute Organization (IJO) and the Common Fund for Commodities (CFC).

The Ministers reaffirmed the commitment of their Governments to ensure effective and successful preparations for the Third United Nations Conference on the LDCs. In this connection, the Ministers welcomed the efforts undertaken by the UNCTAD secretariat in its capacity as the Conference secretariat for the Third United Nations Conference on the Least Developed Countries aimed at ensuring adequate country-level preparations by the LDCs for the Conference. The Ministers expressed appreciation to the European Union and bilateral development partners who have provided resources for the preparatory process for the Conference. They called upon the World Bank, UNDP and bilateral development partners who have not yet done so to provide resources to the Secretary-General of the Conference to ensure the success of the preparatory process of the Conference at various levels. The Ministers viewed the Conference as an important event for the international community to chart and adopt a "Collective Vision for Joint Action" for the next decade to enable the LDCs to emerge decisively, once and for all, from their marginalization.

The Ministers welcomed the measures taken by the United Nations General Assembly to strengthen the Office of the Special Coordinator for the Least Developed, Landlocked and Island Developing Countries through additional resources. They called upon the Secretary-General of UNCTAD to match this effort by redeploying internal resources so as to bring the staffing position in the Office of the Special Coordinator to levels commensurate with its mandate, including in carrying out the task of spearheading the preparations for the Third United Nations Conference on the LDCs and in fulfilling its vital role in the coordination of UN-system-wide activities in favour of LDCs.

The Ministers expressed their appreciation to the Thai Government for hosting UNCTAD X and for the generous hospitality accorded them during their stay in Bangkok. They also conveyed their appreciation to the Governments of Norway, Belgium and the United Kingdom for providing the resources which facilitated the participation of some LDCs at UNCTAD X.